



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

ENGLAND'S COMMERCIAL POLICY TOWARDS HER COLONIES SINCE THE TREATY OF PARIS. II.

THE reform of the Navigation Laws, which began with Wallace's measure in 1822, was the inception of a systematic reform, culminating in Huskisson's measures in 1826, which practically swept away all the burdensome restrictions that affected the trade of the colonies and gave them freedom to develop. The partial modifications had worked so ill that it became necessary to reconsider the whole policy and to adapt it to the changed circumstances of the political, commercial and colonial world. When the Navigation System was established, the competitors of England were all European nations: Asia, Africa and America were merely spheres of colonization, for a share of whose commerce the different European nations competed. On these continents there were no maritime nations whose power was feared. As the number and the area of the independent nations extended in these continents, the colonial sphere contracted. The situation in the first decades of this century, when the Portuguese colony of Brazil and then the Spanish colonies of South America asserted their independence, was analogous to the situation which existed when the United States achieved their independence. "Great Britain had no choice but to apply the European principles to the commerce and navigation of Brazil, though out of Europe,"¹ and consequently later to the commerce and navigation of Colombia and Buenos Ayres and the rest.

One of the new states which had arisen since the inception of this navigation policy was a much more dangerous naval competitor than any of the European states. Yet it was precisely to this power that the greatest concessions had been made in the way of departure from the strict principles of the Navigation

¹ Huskisson, *Speeches*, III, 27.

Laws. It is true that the concessions were due to the exigencies of war, thus violating the rule which England herself had tried to enforce in the Seven Years' War. But when once the concessions had been made, colonial interests forbade their withdrawal; and a foreign nation was thus admitted to a share of England's colonial trade. The United States had applied to English trade the same policy which England had in 1785 applied to American shipping, by refusing to consider the British colonies as integral parts of the British Empire — a piece of insolence which could be paralleled only by England's insult in 1785.¹

The aim of the Navigation Laws had been relative, not absolute, power. A nation endeavored to engross as much of the world's traffic as it could, and then sought to prevent any other single country from engrossing too great a share of what remained. From the nations of Europe England had no longer anything to fear; but, in defiance of the Navigation Laws, she was favoring above all other nations the United States, and thus allowing a large share of the trade she herself could not engross to be carried on by her most dangerous maritime rival. The remedy obviously could not be sought in a return to the older and unmodified policy. In particular, the interests of the West Indies forbade such a solution. British shipping simply could not supply the needs of the colonies; and the relaxation of the old system was essential to the prosperity and to the very existence of these colonies. The remedy therefore lay in admitting European nations to the English colonial trade, in order to prevent the United States from engrossing the West Indian trade. Thus the islands would be at once relieved from their dependence on one sole market, which had been twice closed to them by war and at least twice by political measures; and at the same time the supremacy of the United States in these waters would be qualified. This policy was in the true line of the Navigation Acts, preserving their spirit while modifying their letter to suit the altered circumstances of the case.

The conditions were altered, not merely because new nations

¹ Huskisson, *Speeches*, *passim*.

had risen up beyond the Atlantic or because England, having practically no industrial rival, no longer attributed so much importance to the idea of relative power, but also because from one reason or another men could no longer naïvely assume that colonies existed to be exploited. The causes of the change in the English sentiment have been suggested; but the most important of them was the fact that the colonists were becoming strong enough to make their influence felt. The continental colonies had benefited greatly by all the incidents of the commercial policy of the war. They had a preference in the English market, because England had a quarrel with the Baltic powers; and the War of 1812 had for a time given them a monopoly of the Mediterranean market and had restored to them their monopoly of the West Indian market. The country was better settled, communications had been opened up and industry was developing. They naturally turned, therefore, to politics and to agitation against what they conceived to be grievances. The greater part of their energy was devoted to the struggle for responsible government, which turned mainly on the question of the control of the crown duties. These were nominally collected to regulate commerce, and against this purpose they had little to say; but the revenue could hardly be said to be within their control, for the amount derived from the duties imposed under the act of 1825 was £75,000 a year, and of this £68,000 was expended in paying crown officers appointed by the home government¹ to secure the regulation of colonial commerce. In the long run, the grant of responsible government was the ground of the colonial claim to complete control of their own tariffs; but in the early decades of the century the political restrictions naturally drew their attention from those which were more ostensibly commercial. They had some energy left, however, to protest against even the slight injustice which these limitations caused. In 1809 Sir Erasmus Gower, Governor of Newfoundland, reported to the home government that there were evidences of discontent with the colonial restrictions:

¹ McCulloch, Dictionary of Commerce, article "Colonies," p. 337.

It is eighteen years since I was first on this station, and the great improvements and changes that have taken place in that time render it now absolutely necessary that the capital of this colony should no longer be cramped, cabined and confined by laws and restrictions, which at present are entirely unsuited to its conditions and progress.¹

From 1810 onwards they protested against the restrictions to which they were subjected. It is true that their protests were incidental and were directed against grievances which were in the main sentimental;² but they served to show how the wind was blowing. The main protests continued to come from the West Indies, where the grievance was not merely sentimental and where the restrictive system, with all the relaxations granted, not only handicapped them in their competition with newer sugar islands, but also subjected them periodically to the dangers of dearth and famine.

These were the changes in circumstances which, according to Huskisson, demanded a modification of the Navigation Laws; and the changes were so generally recognized that he could treat a return to the old system as an impossible alternative. What remained to be done, in his view, was to throw open the colonial ports to the ships of all nations, reserving only the intercourse between the mother country and the colonies, which was to be treated as a coasting trade. The freedom of trade was, however, to be granted on reciprocal terms only; and the imports were still to be subject to the crown duties intended to give a preference to the productions of the mother country in the colonial market and to those of the respective colonies in the markets of each other. McCulloch claimed that the conditions and regulations introduced were, for the most part, in direct contradiction of the principles laid down by Huskisson himself.³ But McCulloch was a polemical free trader,

¹ Prowse, *History of Newfoundland*, pp. 383, 384.

² In April, 1811, the Assembly of Nova Scotia protested against the practice of prosecuting breaches of the Imperial revenue laws in the court of the Vice-Admiralty at Halifax, and adopted a string of resolutions condemning the practice as a great grievance and as betraying a want of confidence in the people of the province. — Haliburton, *Nova Scotia*, I, 288.

³ McCulloch, *op. et art. cit.*, p. 333.

while Huskisson was a statesman making the first steps towards free trade; and the acts of 1825 and 1826 mark an enormous advance in both commercial and colonial policy. The concessions made to the colonists were that the casual relaxations of the system made in favor of trade with the United States were regularized and made permanent, and that these relaxations were granted to all other nations on the same terms as to the United States. Free ports were created in the various colonies and the privilege of warehousing was extended. The preferential duties in favor of the mother country were not abolished; but, in place of absolute prohibition of many articles, an *ad valorem* duty was established, and the act of 1826 (which simply consolidated two acts of 1825) significantly includes, not a list of enumerated articles which might be imported, but a brief table of restrictions.

"It is not to be dissembled that this is a great change in our colonial system," said Huskisson;¹ but he claimed that great benefits to both the mother country and the colonies would ensue from it. Since the consequences of the Treaty of Paris had borne out all that Adam Smith had said about the advantages of open trade and the disadvantages of monopoly, there had been other instances of prosperity resulting from the opening up of trade, to which he could appeal as precedents justifying the change he proposed. In 1813 the East Indian trade had been thrown open, with a result which proved, he said, "as the history of all modern commerce proves, that wherever you give a free scope to capital, to industry, to the stirring intelligence and active spirit of adventure . . . you are in fact opening new roads to enterprise."² He had another precedent in the restrictions on the Irish trade.

An open trade, especially to a rich and thriving country [he concludes], is infinitely more valuable than any monopoly, however exclusive, which the public power of the state may be able either to enforce against its own colonial dominions or to establish in its intercourse with other parts of the world.³

¹ Huskisson, *Speeches*, II, 318.

² *Ibid.*, II, 320.

³ *Ibid.*, II, 321.

In addition to these commercial advantages, which the release of the colonial trade would bring to the mother country, he believed that political advantages in her relations to the continental colonies would also accrue. They would connect their increased prosperity with the liberal treatment, and would "neither look with envy at the growth of other states on the same continent, nor wish for the dissolution of old and the formation of new political connexions." These were the advantages to the mother country which he foresaw, and he relied on this general argument to prove that the concessions should be extended to the West Indian islands. He considered a supposed objection, that the privileges need not have been extended to the West Indies, because "they cannot help themselves, however rigid the rules of monopoly or dependence" under which they may be placed;¹ and answered it by asserting that at no time since the independence of the United States had it been found possible to enforce the statutory restrictions, and that to attempt to do so would expose the islands to the greatest distress and would injure the shipping interests which opposed his reforms.

From all the experience which we can collect from the conduct of this country in respect to Ireland and to its colonies—from all that we witness of what is passing in the colonies of other states, I come clearly to the conclusion that so far as the colonies themselves are concerned, their prosperity is cramped and impeded by the old system of exclusion and monopoly; and I feel myself equally warranted in my next inference, that whatever tends to increase the prosperity of the colonies cannot fail, in the long run, to advance in an equal degree the general interests of the parent state.²

This is his general argument; but in the case of the continental colonies he found other reasons, based upon the industrial conditions in the colonies. Without these concessions, he feared, they would not continue to be able to meet the competition of the United States. The war had brought great prosperity to the maritime colonies, because it had given them a practical monopoly of the great markets for fish; but after the

¹ Huskisson, *Speeches*, III, 110.

² *Ibid.*, II, 313, 314.

war there had been considerable distress, because, being handicapped by the Navigation Laws, which forbade them to take return cargoes, the Nova Scotia fishermen could not meet the competition of the United States in neutral markets.

These were the arguments which, in the teeth of the opposition of the shipping interests, carried through the first great modification of the colonial system. It was carried almost amid the indifference of the colonies. Canada was content with a colonial system which gave her the English market for timber, and she reserved her reforming zeal for constitutional questions. The colonists were gratified that the restrictions were removed, though they had not been seriously inconvenienced by them. Practically, all that any one had ever contended for was thus granted them, and with scarcely a pause they resumed their agitation for responsible government. Those only who were in opposition to the popular demand saw great significance in Huskisson's reforms. Haliburton wrote :

Thus ended colonial monopoly, and with it, it is to be hoped, those ungenerous feelings which led many persons in Great Britain to suppose that although members of the same Empire their interests were distinct from ours ; that any benefit derived to us from an intercolonial trade was an indirect disadvantage to them ; and that the poverty of the colonies which that very monopoly created, while it rendered us sometimes burthensome and often importunate, was a reason for viewing us rather in the light of needy dependents than good customers.

The benefit of this extension of trade, and the soundness of the principle on which it is founded, will soon appear in the increase of the national shipping — in the impulse given to colonial enterprise — in the growing demand for British manufactures and in more punctual remittances.¹

Haliburton's amiable hope that this was the end of the "ungenerous feelings" was not to be realized ; for this reform of Huskisson's, with the prosperity which came to the colonies in consequence, was only the starting point and the occasion for greater virulence on the part of those whom we now revile

¹ Haliburton, *History of Nova Scotia*, II, 388.

as Little Englanders. The colonial monopoly had not come to an end, but only that part of it which could with any reason be said to benefit the mother country. The colonial preferences in the English market still remained; but it was argued that what was beneficial to the colonies would surely be beneficial to the mother country in the end. Whatever principles may have been involved, Huskisson's reform was justified by the result. Trade expanded and prosperity increased. There was at first some difficulty with the United States, with whose objections to reciprocity McCulloch expressed his sympathy; and the result was another suspension of intercourse. Reports were made to the Senate of the United States early in 1826, condemning Huskisson's acts as "giving too little and asking too much."

. . . The committee are not aware that any great advantage is to be derived to the commerce of the United States in making British colonial ports places of entrepôt for the warehousing and transshipment of merchandize to be received from, or imported into, the United States, when it could probably be both brought and carried, without resort to them, directly to its ultimate destination with less cost and greater benefit; more especially when such ports are subject to occlusion without their previous knowledge or concurrence, as is recently demonstrated to be the case with regard to Halifax in Nova Scotia.¹

This difficulty about the reservation of the intercolonial trade was not completely removed till the Navigation Laws were finally repealed; but a compromise was patched up, and trade was renewed on reciprocal terms in 1830, when England modified some of the colonial duties which were intended to promote intercolonial trade; and in that year the benefits of the acts of 1825 and 1826 were realized by the West Indies. But when this quarrel had been adjusted, the trade of the colonies grew.² They imported more than ever from the mother coun-

¹ Report to U. S. Senate, January 25, 1826, quoted in the *New Brunswick Royal Gazette*, March 21, 1826. Halifax, an open port, had been closed, "in midwinter and without notice, on an extremely hazardous and inclement coast."

² McCulloch, *op. et art. cit.*, p. 333.

try, but their imports from foreign countries increased even faster. They exported to foreign countries that surplus which the United Kingdom could not take (and in this concession the West Indies found a certain means of tiding over the crisis caused by the emancipation of the slaves); and colonial ships traded to all parts of the world. So great was the development that a writer in the *Quebec Gazette*, apparently in 1837, tried to account for the slower progress of Canada, as compared with the United States, by referring to the old restrictive system.

From 1784 to the present time, our neighbours have had the free range of the world, going and coming; while the colonies, until a comparatively recent period, were confined to the trade with the mother country and with the other colonies.¹

Ten years later the governor of Nova Scotia wrote to Earl Grey, the colonial secretary; and his report is the final justification of Huskisson's reforms.

Prior to 1824, the foreign trade of Nova Scotia was very limited, but the changes in the commercial policy of the empire, suggested and carried through by Mr. Huskisson, opened a wider field for colonial enterprise, of which the North Americans were not slow to avail themselves. With every relaxation yielded by the Imperial Parliament, the foreign commerce of the colonies has attained a further development, and Nova Scotia vessels, besides their traffic with the neighboring states, Canada and the West Indies, now trade to the Baltic, the Mediterranean, China, the [*sic*] Maritius, the East Indies, the Brazils and the [*sic*] Havanah; and our merchants and mariners are fast acquiring an accurate acquaintance with distant seas and with foreign markets in every part of the world.

With this report he sent a tabular statement (in part reproduced on p. 220, note), which showed, by a comparison of the trade of 1827 with that of 1847, the extent of this development.

With Huskisson's reforms the restrictions on the external trade of the colonies ended. There remained the preferential duties in their tariffs in favor of English manufactures; the important fact that the opening of trade depended on reciprocal

¹ Quoted in Martin's Colonies.

concessions, the value of which was adjudged by the Imperial Parliament; and the classification of the trade between the colonies and the mother country as a coasting trade. The preferences in favor of the mother country imposed no great burden on the colonies. England exported no food stuffs, and could manufacture more cheaply than any other nation; and the colonies could have regarded the abolition of these preferences with profound indifference, had they not known that this act of apparent self-denial was but a prelude to the abolition of what they valued — the colonial preference in the English market. The complete repeal of the Navigation Laws — thus opening the colonial trade to all nations, irrespective of reciprocal concessions — was not regarded as a boon, but in fact nearly drove the North American colonies to the verge of revolt, if words meant anything. In 1841 the Imperial duties at colonial ports were reduced and the prohibitions entirely removed; and in 1846 the colonial legislatures were authorized to repeal all the differential duties which had been imposed in the colonies to favor British produce and to encourage British and colonial shipping. The speech from the throne at the opening of the Imperial Parliament in 1847 suggested that this freedom should be exercised for the benefit of the consumer.

The colonial legislatures took different courses of action in

NOTE (*cf.* p. 219). — *Imports into Nova Scotia* (including Cape Breton) *from*

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	£307,907	£190,309	£312,603	£810,819
1847	330,915	220,550	480,489	1,031,955

Exports from Nova Scotia to

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	£121,617	£107,738	£36,922	£267,277
1847	71,804	446,006	513,259	831,071

Shipping (tons) cleared for

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	22,615	100,324	10,874	123,813
1847	67,049	149,524	199,880	416,463

See also Porter, *Progress of the Nation*, pp. 796 *et seq.*

the matter of repeal. In Canada, in 1847, Mr. Cayley introduced a budget which did away with protection to British products, as compared with foreign, and in place of the old crown duties substituted duties for revenue, without any distinction as to the source of the goods. Nova Scotia followed the same course; but New Brunswick—pathetically loyal to the last—maintained in her tariff of 1848 a discrimination in favor of the mother country and the other colonies, amounting in some cases to three or four hundred per cent.¹

The final repeal of the Navigation Laws, instead of being welcomed, was the occasion of great distress and serious discontent in the seaboard colonies of the North American continent. The act of 1849 repealed Huskisson's definition of the direct trade between the mother country and the colonies and of the intercolonial trade as a coasting trade, and threw open the whole carrying trade of the British Empire to the competition of the world. This destroyed the advantage which the North American colonies had enjoyed in the West Indian trade; and in 1851 a further blow seemed to be struck at colonial prosperity, when the colonial preference on timber, already greatly reduced, was cut in half. This double blow at their prosperity was the signal for a great outburst of disloyalty and discontent. In Montreal and St. John the excitement rose to the pitch of frenzy. The mother country had cast them over, and they saw nothing but ruin staring them in the face. The repeal was, however, probably what the colonies needed most. It threw them on their own resources and made them realize the duties as well as the privileges of responsible government. The ruin that was imminent did not come, because they set to work to avert it;

¹ Journal of New Brunswick House of Assembly, March 28, 1848. The following are some of the items:

Eng. and Colonial.		Foreign.	Eng. and Colonial.		Foreign.
	£ s. d.	£ s. d.			
Butter, per cwt.,	4-6	9-0	Boots,	4%	30%
Cattle,	1-0-0	2-0-0	Carriages,	4%	30%
Clocks, each,	5-0	15-0			
Sugar, per cwt.,	5-0	10-0	N. E. S.	4%	15%

and the threat of ruin was ultimately the industrial salvation of the colonies.

The human mind [says Leroy Beaulieu] is so constituted that it will not have recourse to heroic measures until the situation is clear and definite. It will not depart from routine nor make full use of all its resources until it has seen all other hope of safety disappear.¹

This truth was abundantly illustrated in the case of the colonies after their desertion by the mother country. There was a good deal of immediate distress and suffering; but it worked out right in the end. A contemporary New Brunswick observer, writing a quarter of a century later, said that the danger turned out to be more illusory than real;² but it was averted because the energy of the colonists was called out. When they found that their appeals and protests were disregarded and that the English market was no longer to be their preserve, they began to set their house in order and to accommodate their business methods to the new conditions. The possession of the preference had encouraged unbusinesslike ways and a spirit of dependence on governments. Henceforth they talked less politics and devoted themselves to trade; and even the lumber industry was probably not less profitable in the face of competition than it had been in the days of the preference, although undoubtedly it was no longer so easy.³

The immediate effect, however, was to daunt the bravest and the most loyal. It had been argued in England that the removal of the restrictions, by encouraging the enterprise and rousing the industry of the colonies, would increase their resources, and would thus enable them in a shorter time to throw off the yoke and effect their separation from the mother country. But it was the immediate distress, rather than the ultimate prosperity, which threatened to make for separa-

¹ *De la Colonisation* (2^{me} édit.), p. 203.

² Fenety, *Political Notes* (First Series), p. 329.

³ Owing to wasteful methods of securing the lumber, "it is doubtful whether the trade was more profitable than it is at present, notwithstanding the enormous productiveness of the forests and the advantage which New Brunswick and the other colonies then had in the markets of Great Britain." — James Hannay, *Life of Sir L. Lilley*, p. 40.

tion. Public opinion, whether in the legislative assemblies, in public meetings or in the press, was disloyal. The expression of discontent was participated in by the staid, solid and sober members of the community, always famous for their conservatism and strong attachment to everything English.¹ An address in favor of annexation to the United States, prepared in Montreal and signed by 325 merchants of that city, rested its complaint on "the most disastrous effect" which the "reversal of the ancient policy of Great Britain" had upon Canada; and although outside of Montreal there was not much favor shown to the annexation idea, language equally strong was employed to denounce the selfish policy of the mother country. At a joint meeting of the British-American League and the Colonial Association of New Brunswick it was resolved:

That the commercial evils now oppressing the British-American provinces are to be traced principally to the abandonment by Great Britain of her former colonial policy, thus depriving them of the preference previously enjoyed in the British market, without securing advantages in any other market.

That these colonies cannot remain in their present position without the prospect of immediate ruin and that it is the duty of the Imperial Government either *first* to restore to the colonies a preference in the British markets over foreign goods, or *second* to have opened to them the markets of foreign countries, and more especially the United States upon terms of reciprocity.

The resolutions proposed by Mr. (now Senator) Wark, to which reference has already been made, deserve quotation, not simply because they express clearly the discontent in New Brunswick, which suffered especially from the changes, but because they indicate clearly the restrictions to which the colonies were still subject, and to the removal of which the energy of the colonists was directed, as soon as they had given up the vain hope that their protests might avail to change the English policy. The colonists had as yet, he claimed, neither the full power of regulating their tariff nor the right to enter into commercial treaties with foreign countries; and he demanded

¹ Fenety, *op. cit.*, p. 329.

a further extension of the powers of the colonial legislature to accomplish these ends. His resolutions were not adopted ; but those which were substituted for them recognized the necessity that new markets should be opened up, and formulated clearly the demand for a reciprocity treaty with the United States.

There can be no doubt that the changes effected in 1849 and 1851 did practically threaten the industries which had grown up in Canada during the first half of the century. The colonists claimed that the change was an outcome of the tendency to promote the manufacturing at the expense of the colonial interests of England ; and the difficulty of effecting the reform, with the distress and discontent it caused, is but another instance of the political danger of creating "interests" by the manipulation of tariffs. The colonists had a strong case for consideration. They could have shown that the system of preferential duties had originated in the political and naval necessities of the mother country and that the benefit to the colonies was an afterthought, emphasized by those in authority to reconcile freemen to a system of political slavery which was a benefit to office-holders only. While admitting that it had given prosperity and industrial development to the colonies, they could have argued that it had tended to restrict their industrial development to one line and had hindered the natural diversification of industry. Adam Smith may have been right, when he said that bounties on colonial timber assisted in the clearing of the land ; but a system of such excessive preferences as had been established had manifestly no such tendency, because lumbering remained so profitable that agricultural development was checked. The net results were: (1) the prosperity of the country was made to depend on one industry, which was naturally subject to fluctuations, according to the seasons, and did not therefore encourage a true industrial spirit ; (2) the prosperity of this industry in Canada was subject to the caprices and interests of a legislative power over which the colonies could exercise no legislative control ; (3) although the colonies had a preference in the English market, their lumber had, so long as that preference was substantial, been subject to heavy

duties at home — with the result, according to the showing of English Parliamentary committees, that a fluctuation of price in the English market to the extent of five per cent meant a fluctuation of thirty per cent in the colonies ; (4) although they had protested against these fluctuations, they were being ruined by the removal of so ambiguous a benefit, because that industry, the creation to a large extent of Parliamentary preference, was their sole support.

Most of these allegations could have been supported by reference to the Journals of the House of Commons. The benefit of the preferences was real enough, but at the same time an artificial direction and concentration was given to the industry of the country. Had the maintenance of the preferences been within their own control, this artificiality would have been a trivial matter in comparison with the real benefits of the preference ; but it was dependent on the breath of English opinion, which had changed.

Still, a great deal of consideration was actually shown for colonial interests by English statesmen. The colonial preferences were the last portions of the old colonial system to be removed. Down to 1860 the colonies enjoyed a preference of 4s. a load on timber, which ought to have been sufficient to counterbalance the longer journey. The preferences were not all at once abolished, and the colonists had ample warning to set their house in order ; so that, had it not been for the acquired Micawber instinct of waiting for the government to do something, they would not have been left in the lurch at the last.

The case of the West Indies was harder. They had suffered more from the other parts of the colonial system ; and yet, even when the preference was highest, they had derived little real benefit from it. The monopoly granted to the West Indian planter, said Huskisson,¹ was of little or no advantage to him.

By conquests made during the last war, by cessions obtained at the last peace, you have extended your sugar colonies in such a degree

¹ Huskisson, *Speeches*, III, 114. *Cf.* also III, 603 : " Much as the West India planters have been, from time to time, promised, nothing has as yet been done for them."

that the quantity they now send to this country exceeds by 60,000 hogsheads (about one-fifth of the whole supply) the consumption of this country. This excess must be sold in the general market of Europe. The price which it will command in that market, it is obvious, must be regulated by the rate at which other sugars of like quality (those of Cuba, Brazil and the East Indies) can be afforded in the same market. It is equally obvious that the price of this excess must determine the price of the other four-fifths consumed in the United Kingdom. The monopoly, therefore, affords little if any substantial advantage to those upon whom it is conferred. They must be able to produce sugar in competition with the foreign grower.

The abolition of the preference was, nevertheless, a hard blow to the West Indies. The preference had encouraged them to confine themselves to the cultivation of a single staple, for the production of which they were by no means so well suited as were the competitors they now had to meet. From this blow they never recovered, because they were not able, as were their fellow-sufferers in the continental colonies, to turn their energies to other fields; and at the present moment there is a strong demand — and little likelihood — that in some form or other the preference in the English market may be restored to them. The whole history of the preferential duties is one long warning against an attempt to give an artificial direction to industry.¹

¹ The history of the preferential duties is represented in tabular form below. The timber and sugar duties are taken as typical; but these, though the most important, were not the only preferences enjoyed. In 1840, according to Porter's evidence before the famous Import Committee of that year, there were 82 differential duties in favor of colonial products; by 1853 all of these but the preferences on timber, food, wine and spirits had disappeared; and in 1860 the last, the timber duty, was abolished.

1798 Colonial timber was admitted free till 1798, when it was charged 3%
1803 *ad valorem*; but there was practically no importation till 1803, when the
1806 duty stood at 2s. a load. This duty was abolished in 1806. Owing to diffi-
1809 } culties with the Baltic powers, a large addition was made to duties on Baltic
1810 } timber in 1809, and in the following year these duties were doubled. After
1813 } the failure of Napoleon's Russian campaign, when the Baltic ports were
again opened, an addition of 25% was made, not from military necessity, but
to favor the colonies; although the result was still further to decrease
1821 Baltic shipping. This continued to 1821, when a duty of 10s. a load was

The act of 1846 has generally been regarded as the close of the period of commercial regulations; and doubtless it was, for practical purposes. But there still remained certain restrictions on the commercial freedom of the colonies. The removal of the restrictions was, as has been said, a triumph rather of free trade than of freedom. The English government did not propose to allow the colonies to mar the example which England was offering to the world, and accordingly it desired to keep the colonies in subjection to the ideas of the mother country.

The benefits [wrote Lord Grey in 1849 to Sir Edmund Head] which are expected to arise from this policy [that is, free trade] will be greatly increased through its general adoption by the principal nations of the world, which Her Majesty's government hope to see eventually brought about. But it would materially interfere with the attainment of this happy result if it should be observed by foreign countries that the former and narrow policy of endeavouring, by bounties or restrictions, to divert capital and industry to other than

imposed on colonial timber, and the duty on foreign reduced from 65s. to 55s. In 1831 an attempt was made still further to reduce the colonial preference, but ineffectually; and the Whig government in 1841 was equally
 1842 unsuccessful. Peel successfully dealt with the subject in his first budget, and again in 1843; and in 1846 changes were proposed, to take effect in
 1848 two stages, 1847 and 1848, at which date the preference had been reduced
 1851 to 15s. on foreign and 1s. per load on colonial. The preference was in 1851
 1860 again reduced by half, and finally in 1860 the duties were equalized at 1s. a load on foreign and colonial timber alike.—Down to 1841 the duty on foreign sugar was prohibitory and the imports practically nothing. In that year the Whig ministry proposed to reduce foreign sugar from 65s. per cwt. to 36s., the duty on colonial remaining at 24s. per cwt.; but their proposal was rejected on the ground that it granted favors to slave products. Peel,
 1844 in 1844, admitted foreign sugar, the product of free labor in China, Java and Manila, at an intermediate rate of 35s. 8d., the duties on foreign slave-
 1845 grown being 66s. 2d. In the next year the duties on all classes were reduced and stood at 63s., 23s. 4d. and 14s.; and provision was made that by 1851 colonial sugar should be reduced to 10s., and that in 1854 all
 1846 rates were to be equalized. But in 1846 the Whig ministry abolished the distinction between slave-grown and free-grown, and reduced the duty on all foreign sugar to 21s. per quintal, which was gradually to be reduced to 14s. in 1851, when all preferences were to disappear. In 1848, however, in consequence of protest, the time of protection to colonial sugar was
 1854 extended three years, to 1854, in which year all preferences disappeared, though the sugar duties continued till 1874.

their natural channels, was again adopted with Her Majesty's assent in any part of Her Dominion.¹

To many in the colonies it seemed, and perhaps still seems, that the mother country was pursuing her own interests at the expense of the colonies. Mr. Wark, in his resolutions, claimed that the manufacturing interests of the mother country were being advanced at the expense of the colonial interests; that England had no longer any need for restrictions to secure her own market, and was interested in having the world's markets thrown open to her; and that, for the sake of the example to foreign countries, she was still prepared to sacrifice the interests of the colonies, or what seemed to the colonists to be their interests. The colonies were not yet free, but were still mere conveniences to serve the ends of the mother country. England had abandoned specific restrictions, but she still maintained the restrictive system. If there were any in England who believed that, because specific restrictions might have weighed on the colonies, they would welcome the principles of free trade, they were speedily undeceived; for the colonists at once began to claim the right to manipulate their tariffs in ways quite contrary to the principles of free trade. This brought them into conflict with the home government, which still thought to regulate colonial ideas.

The restrictions on the freedom of the colonists, stated briefly, in the order in which they came up for discussion, were three: (1) They were denied the right to favor their own industries, by means of import duties or by bounties; (2) they were not free to enter into reciprocity treaties with other colonies or with foreign countries; and (3) they were bound by Imperial treaties, in the framing of which they were not consulted. These three restrictions have been removed: the first in 1859; the second in 1868 for Canada, in 1873 and 1895 for the Cape and the Australian colonies; the third, partially in 1881 and finally in 1897.

In 1842 the last tariff was framed for the colonies; and in the following year it was conceded by speakers in the English

¹ Despatch 170, December 4, 1849, Journals of New Brunswick House, 1850.

House of Commons that Canada possessed the exclusive right to regulate her own tariff.¹ But when the colonies began to exercise this right according to their own ideas, the home government protested and instructed colonial governors not to give their assent to bills which were contrary to free-trade principles. The Assembly of New Brunswick sought to establish a bounty on hemp, and the colonial secretary rebuked the Assembly for their ignorance of economic principles as well as for their presumption. So well known were the sentiments of the home government, and so thoroughly was it recognized in the colonies that they were prepared to enforce these sentiments, that in 1849 Mr. Hincks, the inspector-general of Canada, in introducing a free-trade budget, declared that to establish a protective system in Canada would be tantamount to a declaration of independence. He referred to Lord Grey's dispatches; and he asked what inducement England would have in keeping up any connection with Canada, if the colony deprived her of the power of trading with them. In this Mr. Hincks showed that he understood the temper of the mother country, for nothing has retarded the growth of the Imperial Federation idea in England so much as the existence of protective tariffs in the colonies. But apparently neither Lord Grey nor Mr. Hincks was aware of the strength of the protectionist sentiment in the colonies, or of the logical importance of the grant of responsible government. The colonies simply ignored the protests of the home government; and against their invincible determination — or, as the free traders at home might have said, against their invincible ignorance — the home government could not prevail, except at the risk of disorganizing the colonies altogether. The grant of responsible government carried with it the control of fiscal affairs according to their own ideas; and in the end the power of logic prevailed. In 1856 the principle was distinctly enunciated, in the revised edition of the "Rules and Regulations for Her Majesty's Colonial Service," that

the customs establishments in all the colonies are under the control and management of the several colonial governments, and the colonial

¹ Todd, *Parliamentary Government in the British Colonies*, p. 177.

legislatures are empowered to establish their own customs regulations and rates of duty;¹

and by an act of 1857 the powers of the self-governing colonies were further extended. The last episode in the struggle took place in 1859, when, on the motion of the manufacturers of Sheffield, the Duke of Newcastle protested against a new Canadian tariff. The rights of the colonies were finally vindicated by the memorandum of Sir Alexander (then Mr.) Galt, the Canadian minister of finance; and the broad principle he then enunciated has never since been questioned:

Self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is, therefore, the duty of the present government [of Canada] distinctly to affirm the right of the Canadian legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial ministry. Her Majesty cannot be advised to disallow such acts, unless her advisers are prepared to assume the administration of the affairs of the colony, irrespective of the views of its inhabitants. The Imperial Government are not responsible for the debts and engagements of Canada, they do not maintain its judicial, educational or civil service, they contribute nothing to the internal government of the country, and the Provincial Legislature, acting through a ministry directly responsible to it, has to make provision for all these wants. They must necessarily claim and exercise the widest latitude as to the nature and extent of the burdens to be placed on the industry of the people.²

This principle was finally sanctioned by the Imperial Parliament, in the British North America Act, 1867, § 91, which recognizes the exclusive legislative authority of the Parliament of Canada over all matters relating to "the regulation of trade and commerce," "the raising of money by any mode or system of taxation," and "navigation and shipping." Accordingly, when, in 1879, on the adoption of a highly protectionist national policy, the secretary for the colonies was invited in the House of Commons³ to disallow the act, he declined to interfere,

¹ Todd, *op. cit.*, p. 178.

² Canada Sessional Papers, 1860, No. 38.

³ March 20, 1879, Todd, *op. cit.*, p. 183.

because the matter was entirely within the competence of the Dominion Parliament.

Down to the year of the appointment of the Marquis of Lorne (1878), instructions were issued to the successive governors-general to reserve for the consideration of the Imperial government any bills imposing differential duties; and the omission of the specific instruction in his case may be regarded as the close of this contention. One part of the contention had many years before been definitely settled in favor of the colonies—namely, the right to discriminate in favor of other colonies, subject always to the treaty obligations of the Imperial government; but the right, for which the colonies contended, to discriminate in favor of foreign nations has not yet been admitted—in form, at least. The contention arose from the position of distress in which the colonies found themselves, after the repeal of the colonial preferences in the English market. Lord Grey's dispatches (March 22 and November 8, 1848), instructing colonial governors, evidently have reference to differentials granted to the mother country and are inspired by all the fanaticism of absolute free-trade doctrine. The reply to the address which the Assembly of New Brunswick made to the Queen, on the subject of the repeal of the Navigation Laws, contains the suggestion that the North American colonies were at liberty to place intercolonial commerce on the footing of the coasting trade (to which foreigners were not admitted); and the Assembly responded by a request to be allowed to do so, preparatory to a demand on the United States for reciprocity. But, in spite of this admission of the principle and in spite of their own suggestion, the Imperial government continued to interpose objections and difficulties regarding intercolonial reciprocity. The objections were based on an incorrect reading of the terms of certain treaties; and the home government claimed that the mother country alone, of all the nations of the earth, would be excluded from the operation of the reciprocity treaties. Despite these objections, however, partial facilities were from time to time granted; and before the formation of the Confederation in 1867 the British

North America colonies were more or less granting reciprocal concessions to each other. The question was settled, so far as Canada was concerned, when the American colonies entered the Confederation; but in 1868, before Prince Edward Island had entered the Dominion, the problem again came up for discussion. The newly formed Dominion admitted certain articles duty free from Prince Edward Island, and in return Canadian breadstuffs were admitted free into the island. The secretary for the colonies protested that this was contrary to the treaty obligations of the mother country; but Sir John Rose pointed to the precedent of an act of the old province of Canada, passed in 1850, permitting free entry of the products of other North American colonies — an act which was not disallowed. Again in 1860, as he reminded the colonial secretary, when it was proposed to extend existing arrangements so as to admit all articles of colonial growth and manufacture free of duty on reciprocal terms, although the Lords of the Committee of the Privy Council on Trade recommended that assent to this law be conditional on the granting of a like concession to all other countries, the Duke of Newcastle (February 5, 1861) was forced to admit that “they had no wish to offer any obstacle to any endeavours which might be made to bring about a free commercial intercourse between the North American colonies.”

To the legislation of 1868, the Board of Trade (to which colonial commercial legislation is referred by the colonial secretary) objected that the differential duties must be extended to all countries having “a most favored nation clause” in a treaty which extended to British possessions as well as to the United Kingdom. The ultimate result, they said, might be

that British produce, *i.e.*, the produce of the United Kingdom and of British possessions not situated in North America, will be the only produce which is shut out by differential duties from consumption in Canada.

The colonial secretary was, however, fain to content himself with the hope that,

if ever the products referred to in the sixth section of this act are admitted free of duty from the United States, a similar immunity will be extended to the same products of the United Kingdom and of all foreign countries.¹

Thus the Board of Trade was discomfited, and the question of intercolonial reciprocity was settled—at the time for Canada, but constructively for all self-governing colonies.

The other colonies were not long in claiming a similar privilege, though they have not yet agreed to act upon the permission which was a few years later (1873) granted to them. In 1870 the Intercolonial Free Trade Act passed by the legislature of Tasmania was disallowed;¹ and in the following year the Australasian colonies—New South Wales, Tasmania, South Australia, Victoria and New Zealand—made formal application to be allowed to establish a commercial union. They joined to this application a request that no treaty should be concluded by the Imperial government with any foreign power which should conflict with the exercise of intercolonial reciprocity, and that Imperial interference with intercolonial fiscal legislation should cease. The colonial secretary apparently dodged the main issue, and insisted that “the constitutional right of the Queen to conclude treaties binding all parts of the Empire cannot be questioned”; although he seemed to admit the power of the colonial parliaments to make the treaties a dead letter, so far as they were concerned, by refusing to pass the laws “which may be required to bring such treaties into operation.” The Australasians were not satisfied with this answer; and a colonial conference, at which Queensland and Western Australia were also represented, was held at Sydney in February, 1873, to urge the necessity of the removal of all Imperial restrictions on intercolonial free trade. The colonies had their way, as the colonies generally have; and the Australian Colonies Duties Act² (1873) was passed, which granted

¹ Canada Sessional Papers, No. 47, 1869.

² Todd, *op. cit.*, p. 127. The Australian colonies were precluded, by the Constitution Acts granted to them, from entering into differential tariff agreements with each other or with any other country.

full power to each of the colonies concerned to make laws, imposing or remitting duties whether differential or preferential or otherwise, for or against one another. It also extends the powers of the colonial legislatures in Australia to regulate the duties on the importation of articles not the growth, produce or manufacture of Australia or New Zealand. But it retains the prohibition against differential duties on goods imported into the colonies from foreign countries or from Great Britain.¹

The latter prohibition, against discriminating in favor of the mother country, continued in force till the denunciation of the German and Belgian treaties in 1897.

The colonies are not yet free to impose differential duties so as to confer exceptional advantages upon foreign over British trade, and they may not use their liberty to the direct injury of British commerce. That much, at least, is involved in the idea of empire; and the mother country claims — and is likely to have her claim always allowed — to be entitled to the most favored nation clause. This right has never been seriously questioned, though in 1854 it was by mutual consent ignored. The repeal of the colonial preferences in the English market and of the Navigation Laws² had wrought so much distress in the colonies that it was imperative, to use the words of the address adopted by the New Brunswick Assembly in 1850, that they should “obtain the open ports and the unrestricted coasting trade of the American Union”;³ and accordingly in 1854 Elgin’s Treaty was negotiated. The difficulty about discriminating against the mother country was not raised, partly owing

¹ Todd, *op. cit.*, pp. 195–197. Down to the year (1880) of the publication of this work, at least, the governors of the Cape of Good Hope and of South Australia were instructed to withhold assent from all bills imposing differential duties (other than as allowed by the Australian Colonies Duties Act of 1873); and in form, at least, they were unable to grant differentials to non-Australian colonies, till 1895 (58 Vict. c. 3), when the restriction was removed. — Todd, *op. cit.*, p. 132.

² The repeal of the Navigation Laws was a grievance in the seaboard colonies only. The old province of Canada gained little from the restriction and was debarred by it from taking advantage of her “opportunity for securing for her vast system of inland navigation the great and growing carrying trade of North-western America”; and in 1848 numerous petitions for the repeal of the Navigation Laws, so far as they applied to Canada, were sent to London. — Todd, *op. cit.*, p. 179. ³ Journals of New Brunswick House of Assembly, April 25, 1850.

to the necessities of the colonies and partly also to the fact that it was a discrimination in name only, for the reciprocity was confined to certain natural products which the mother country did not export.¹ This concession would have formed an admirable precedent for a more extended treaty, had such a precedent ever been sought; but Canadian *official* negotiations with Washington have always been based on the terms of the treaty of 1854 — reciprocity of natural products. When the Liberal party in Canada adopted the program of unrestricted reciprocity, there were not wanting those who denounced this last right of the mother country to rank as a most favored nation. That unrestricted reciprocity would practically, as well as nominally, have discriminated against the mother country, cannot well be denied; and those who advocated it had to fall back on the argument that it was a matter of indifference to England whether her goods were excluded by a tariff framed at Washington or at Ottawa, and that England would gain an increase of trade from the greater prosperity of the Dominion of Canada, resulting from reciprocal trade relations with the United States.² The movement for unrestricted reciprocity now has few adherents in Canada; and the right of the mother country to at least the treatment of the most favored nation is supported by the practically unanimous conviction of the Canadian people and, while the present Imperial temper lasts, is not likely to be called in question.

The several commercial concessions made to the colonies

¹ "In 1854 the treaty known as the Reciprocity Treaty was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions." — Confidential report to Governor-General for transmission, made by Sir John Rose, September 3, 1868, Canada Sessional Papers, No. 47, 1869.

² See the speeches of Sir Richard Cartwright and others in Canadian Hansard, 1890, I, 144-646. Informal negotiations between Canada and the United States were broken off in 1892, because the Canadian delegates were not willing to discriminate against the mother country; and on the protest of Canada, when the Newfoundland government proposed to pass legislation to carry out the convention of 1890 with the United States, the colonial secretary (March 26, 1892) assured the Dominion government that legislation discriminating against Canada would be disallowed. — Lord Ripon's Dispatch to Governor-General of Canada, June 28, 1895; Canadian Statistical Year Book, 1894, p. 309.

during the last half century were invariably qualified by a clause respecting the treaty obligations of the Empire. A colony, however free and independent, is bound by all Imperial treaties, unless specially exempt from their scope; and before the days of colonial freedom the Imperial Parliament had entered into treaties which bound the colonies not to discriminate in favor of the products of the mother country. The last phase of the colonial struggle for commercial freedom has been the effort to secure the following concessions: (1) That the colonies should not be included in commercial treaties without their own consent; (2) that in the framing of treaties directly affecting their interests they should be directly represented; and (3) that all past treaties which restricted the action of the colonies in working towards an Imperial customs union should be denounced.

The first two rights were readily yielded. They were so obviously the logical outcome of the control of their own fiscal affairs that they had but to be demanded to be conceded. When the Canadian government informed the colonial office that thereafter (March 26, 1881) it desired to be informed of the inception of any new treaty, and that in future no stipulation binding upon the commerce of Canada should be introduced into any treaty without reserving to the Canadian government the option of acceptance or refusal,¹

it was perfectly natural that Lord Carnarvon should agree that a new clause should be inserted in all treaties thereafter concluded, to the effect that no colony was included except at its own option. As regards the second demand, while, of course, no colony could enter into direct negotiations with an outside power, the difficulty was got over by naming colonial statesmen as Imperial representatives for the negotiation of treaties peculiarly affecting colonial interests.

Thus far there was no difficulty; but when it came to the denunciation of treaties then in force, the interests of the mother country were directly involved. To denounce the treaties, it was feared, might derange English trade with important cus-

¹ Canadian Senate Hansard, 1891, pp. 613 *et seq.*

tomers — and that without immediate prospect of any compensating advantage. The colonies did not show any great desire to favor English goods and had all, with one exception, discriminated against her manufacturers in favor of their own. Therefore, until a *quid pro quo* was offered in the shape of an actual discrimination in her favor, public sentiment in England did not call for the denunciation of the treaties. The colonists proceeded in the wrong way to achieve their end. An Imperial customs union meant for them a discrimination in the English market for colonial goods, for which they were willing to pay the price of granting English goods a differential. They protested against the treaties, because these stood in the way of their ultimately obtaining privileges for which they could concede none; and English sentiment naturally remained unaffected.

The treaties which stood in the way were the treaty with Belgium of 1862 and that with the German Zollverein of 1865. These stood upon a special footing.

The ordinary most favored nation clause in various treaties between Great Britain and foreign powers would not preclude the conclusion of special preferential arrangements between the colonies, or between a colony and Great Britain. As against foreign powers, in the absence of specific provision, the Empire is a whole or a unit, within which any fiscal arrangements may be made without infringing the concession involved in that clause.¹

While these treaties did not prevent differential treatment by the United Kingdom in favor of the British colonies, or differential treatment by British colonies in favor of each other, they did prevent differential treatment by British colonies in favor of the United Kingdom, without extending the same concessions to foreign contracting powers. Thus, by the operation of the most favored nation clause in other treaties, they admitted all the nations with which the United Kingdom had commercial treaties. Their existence was, then, an obstacle to an Imperial customs

¹ Lord Jersey's Report to the Colonial Secretary on the Colonial Conference at Ottawa, 1894. This report and Lord Ripon's dispatches are printed in the Canadian Statistical Year Book, 1894, pp. 270-310.

union. These treaties were passed during the period when colonial interests were being treated with unsalutary neglect;¹ and Lord Salisbury admitted some years ago that no reason had been given—or could be found—for the permission given to a foreign power to interfere in what should have been the purely private affairs of the empire. But, however the clauses had come to be inserted, there they were; and they effectually barred the way to preferential treatment of the mother country by the colonies. They not only did this, but they also compelled the colonies to modify their fiscal legislation.² But the denunciation could come from the Imperial government only; and, while the commerce of the United Kingdom with Belgium and Germany would be exposed to risks, and “would have to be carried on under fiscal conditions subject to constant changes and fluctuations, or, at all events, without that permanence and security which is of primary importance to successful and profitable interchange,” on the other hand, no scheme had been proposed which foreshadowed “any precise advantages to be secured to the export trade . . . from the United Kingdom to the colonies in the event of the termination of these treaties.”³

The Canadian preferential tariff of 1897 changed all the conditions. A “precise advantage” was offered, and the loyal sentiment of the year necessitated England’s acceptance of the offer. Whether the Canadian government was correct in its contention that the concessions granted were not gratuitous but were a return for concessions already made by the mother country, and therefore did not come under the interpretation of the most favored nation clause, need not now be discussed. It is obvious, as Sir John Abbot foresaw in 1891, that such an inter-

¹ Burke claimed that the colonies had prospered because they had been treated with “salutary neglect.”

² “We have already had to modify our legislation, in a way which we ourselves did not desire, in consequence of these treaties.” (Sir John Abbot, in Canadian Senate, September 25, 1891. Senate Hansard, 1895, p. 613.) The German government had protested against the inclusion in the invoice price at Canadian ports of freight charges on German goods to the United Kingdom which were reexported from England to Canada.

³ Lord Ripon’s Dispatch, June 28, 1895. — Canadian Statistical Year Book, 1894, p. 305.

pretation would have led to litigation; and the British government wisely cut the knot by denouncing the treaties.

The last restriction on the colonies was thus removed. Their right to be considered in the making of treaties had already been granted. The right to say whether they would be bound by treaties contracted before they had obtained the former right, was conceded by the denunciation. Lord Jersey, in his report of the colonial conference, had suggested that an additional article should be included in all British commercial treaties, enabling "any colony to withdraw from the treaty at the date when it is terminable"; but the action of the Imperial government, by practically admitting the right of colonial initiative in Imperial affairs, had advanced matters further than Lord Jersey had ventured to suggest.

The restrictive commercial system has narrowed down to the following minor points: The mother country claims to be included as a most favored nation in all treaties contracted on behalf of the colonies; the colonies cannot disregard the Imperial obligations, by discriminating in favor of one nation and against another, when the mother country has with the excluded foreign state commercial treaties containing the most favored nation clause; no colony can endeavor, in direct or indirect negotiation, to obtain an advantage at the expense of any other part of the Empire; and finally, in

the case of preference being sought by or offered to the colony in respect of any article in which it competed seriously with other colonies, or with the mother country, Her Majesty's Government would feel it to be their duty to use every effort to obtain the extension of the concession to the rest of the Empire."¹

These seem to constitute the minimum of empire. They might be conceded, if demanded; but the concession would be equivalent to breaking up the Empire into a number of independent states—a result which none of the colonies in any measure desire.

JOHN DAVIDSON.

UNIVERSITY OF NEW BRUNSWICK.

¹ Lord Ripon's Dispatch, *Canadian Year Book*, p. 310.